

# PRINCE OF WALES

150 DRURY LANE, LONDON, WC2B 5TD  
TROPHY FREEHOLD PUBLIC HOUSE INVESTMENT  
IN PRIME COVENT GARDEN LOCATION



OF WALES

PRINCE OF WALES

PRINCE OF WALES

LIVE MUSIC

PRINCE OF WALES

PRINCE OF WALES

NO ENTRY

NO ENTRY

NO ENTRY

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NO ENTRY

# INVESTMENT SUMMARY

An extremely rare opportunity to acquire a trophy public house investment in the Covent Garden district of Central London.

- ❑ Freehold public house originally dating from c1850
- ❑ Prime location in the centre of London's theatreland
- ❑ Close to the Royal Opera House and the London Transport Museum
- ❑ Substantial property arranged over five levels extending to approximately 8,112 sq ft
- ❑ Entire property let to Spirit Pub Company (Managed) Limited with a guarantee from Punch Pubs & Co Limited
- ❑ Spirit Pub Company is wholly owned by Greene King who currently operate over 3,100 pubs across the UK including brands such as Metropolitan Pub Company, Chef & Brewer and Farmhouse Inns
- ❑ Punch Pubs currently own over 1,200 pubs through the UK
- ❑ Current rent of £340,058 per annum
- ❑ Open market reviews in December 2024 and 2029
- ❑ Lease expires in June 2034
- ❑ Business unaffected by sale

We are instructed to seek offers in excess of £8,000,000 which reflects a Net Initial Yield of 4.0% and a capital value of £986 psf.



## LOCATION

Located in the heart of London's West End, Covent Garden is renowned as being at the centre of the capital's tourism and entertainment scene, attracting in excess of 44 million visitors per year. The district is renowned for its culture with over twenty thriving theatres including the Royal Opera House and Theatre Royal Drury Lane as well as numerous museums such as the London Transport Museum.

The Prince of Wales occupies a prominent corner position at the intersection between Drury Lane and Great Queen Street with occupiers nearby including the De Vere Grand Connaught Hotel, The Gillian Lynne Theatre, ITSU, Barrafinna and the Freemason's Hall. The property is a short distance from many restaurants, bars, fashion retailers and theatres that make up Covent Garden.





LINCOLN'S  
INN FIELDS

HOLBORN

PRINCE  
OF WALES

NEW OXFORD STREET

DRURY LANE

DRURY LANE

THE STRAND

COVENT  
GARDEN

COVENT GARDEN  
MARKET

SEVEN DIALS

LONG ACRE

LEICESTER  
SQUARE

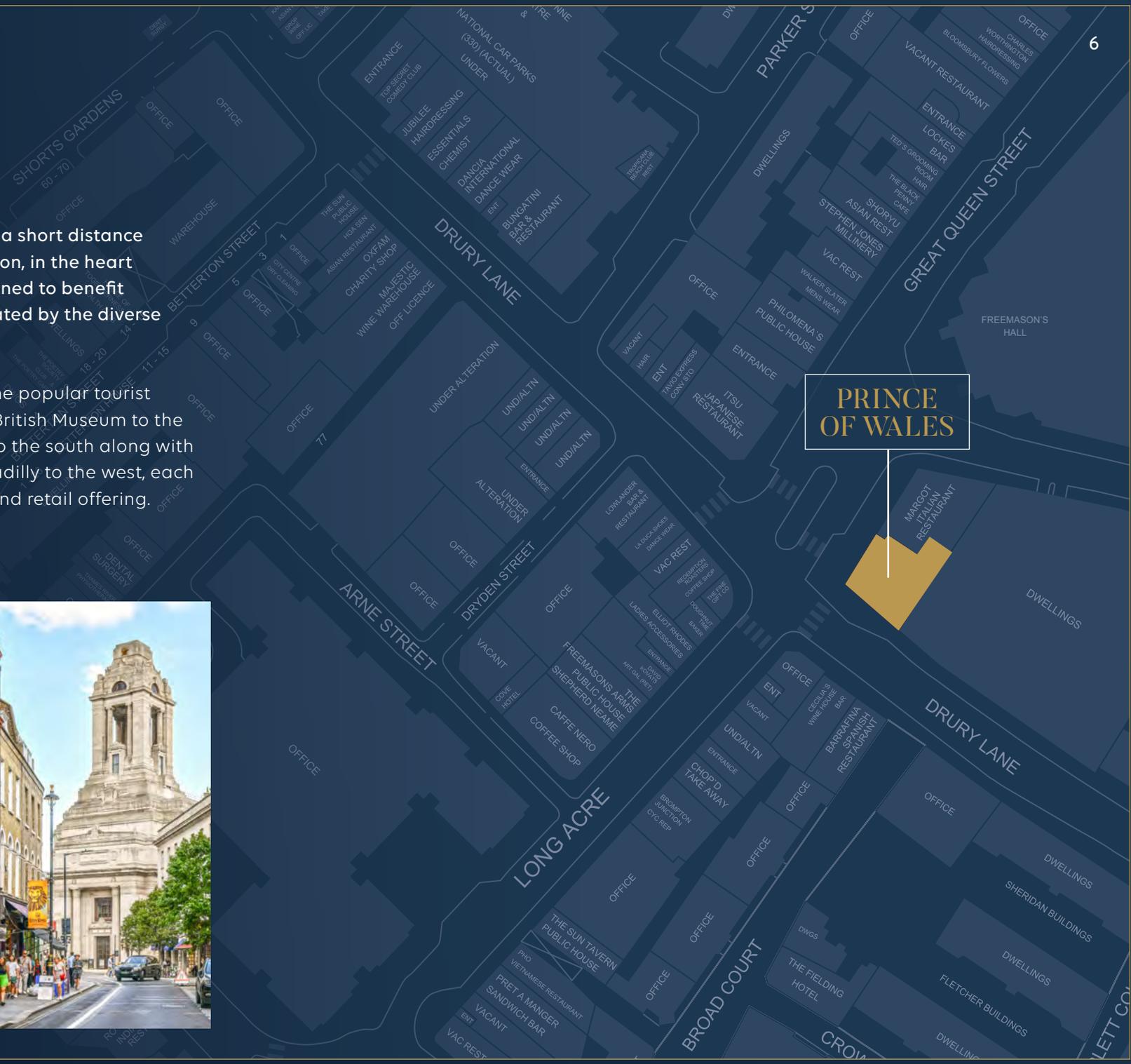
# SITUATION

The property is situated on Drury Lane, a short distance from Covent Garden Underground Station, in the heart of theatreland making it ideally positioned to benefit from the high number of visitors generated by the diverse entertainment offering.

The Prince of Wales is surrounded by the popular tourist destinations of Oxford Street and The British Museum to the north, Covent Garden and The Strand to the south along with Leicester Square, Seven Dials and Piccadilly to the west, each with their own diverse entertainment and retail offering.



601







## DESCRIPTION

The Prince of Wales is arranged over ground, basement and three upper floors with stone elevations beneath a flat roof.

### GROUND FLOOR

The ground floor comprises an open plan trading area with a central bar servery and seating on a variety of loose tables, chairs and bench seating for approximately 73 customers. Ancillary accommodation comprises a disabled WC and ladies & gentlemen's WCs.

### BASEMENT

The basement comprises a cellar and stores.

## FIRST

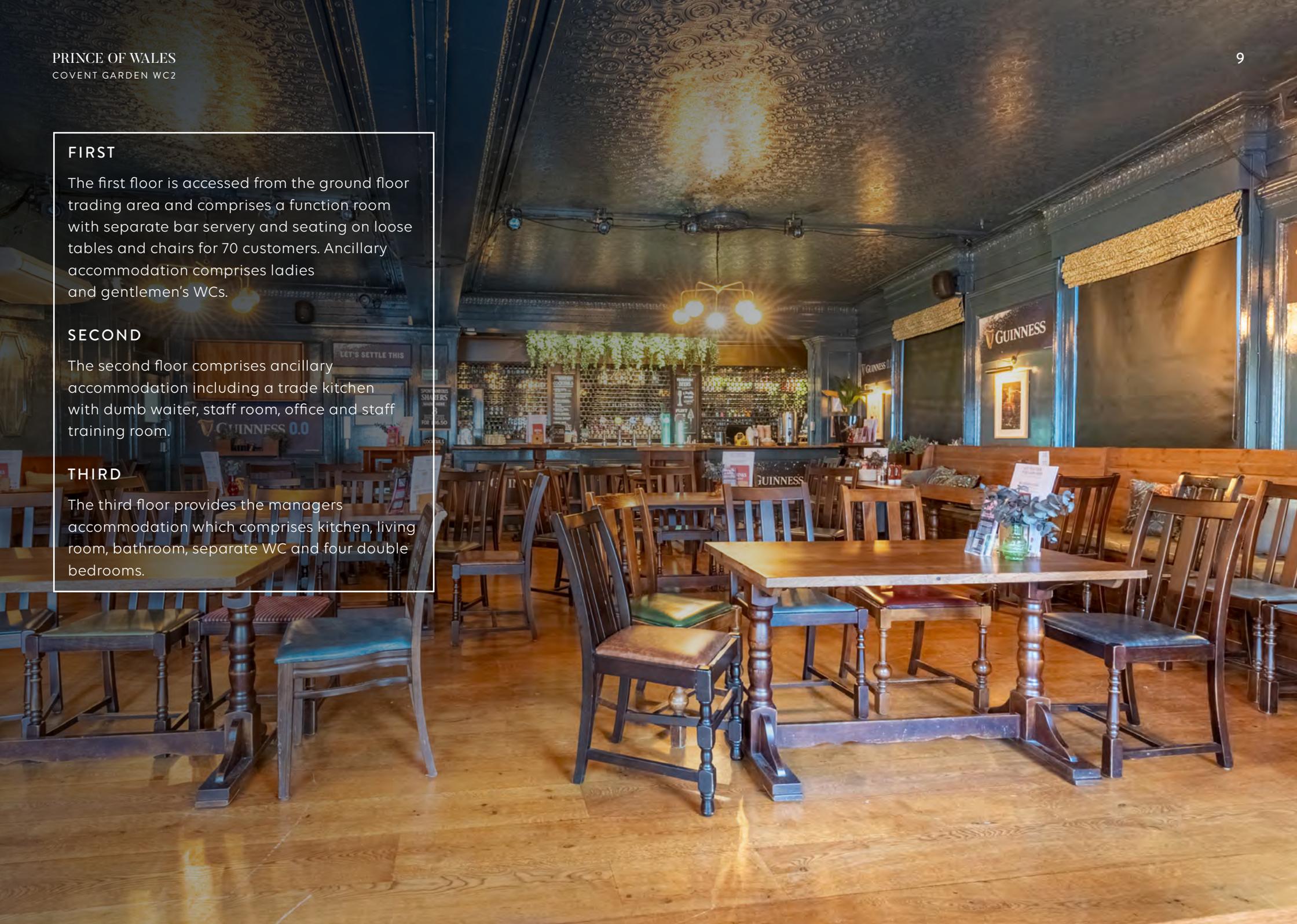
The first floor is accessed from the ground floor trading area and comprises a function room with separate bar servery and seating on loose tables and chairs for 70 customers. Ancillary accommodation comprises ladies and gentlemen's WCs.

## SECOND

The second floor comprises ancillary accommodation including a trade kitchen with dumb waiter, staff room, office and staff training room.

## THIRD

The third floor provides the managers accommodation which comprises kitchen, living room, bathroom, separate WC and four double bedrooms.



## EXTERNAL

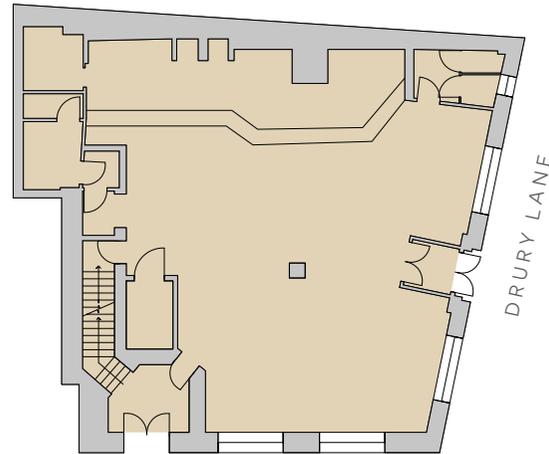
Externally there is seating fronting Great Queen Street and Drury Lane for 16 customers held by way of a pavement licence with the City of Westminster which falls outside of our clients freehold title.



# ACCOMMODATION

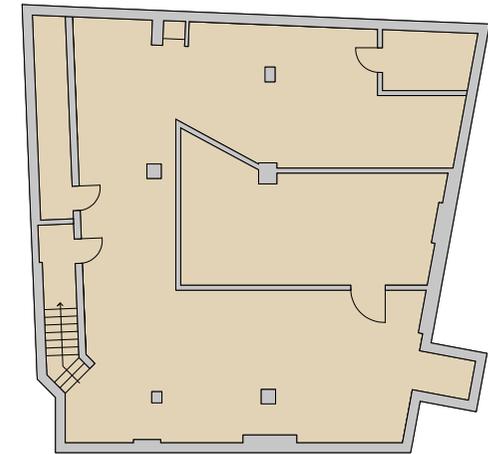
FLOOR	GIA (SQ M)	GIA (SQ FT)
Ground	166.1	1,788
Basement	157.4	1,694
First	159.5	1,717
Second	153.0	1,647
Third	117.6	1,266
<b>TOTAL</b>	<b>753.6</b>	<b>8,112</b>

GROUND

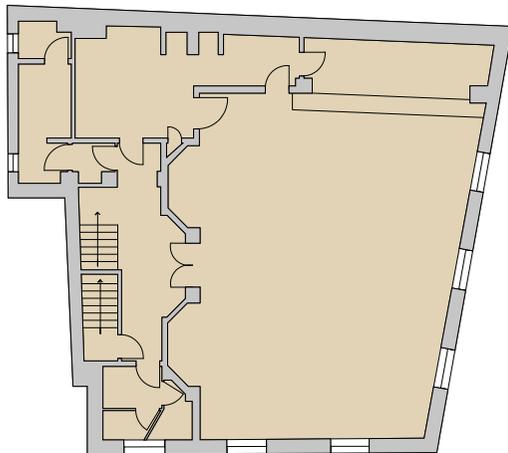


GREAT QUEEN STREET

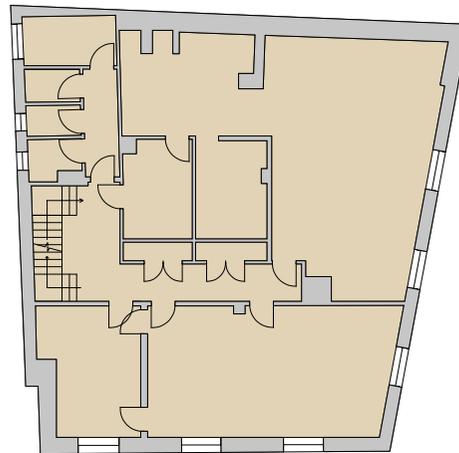
BASEMENT



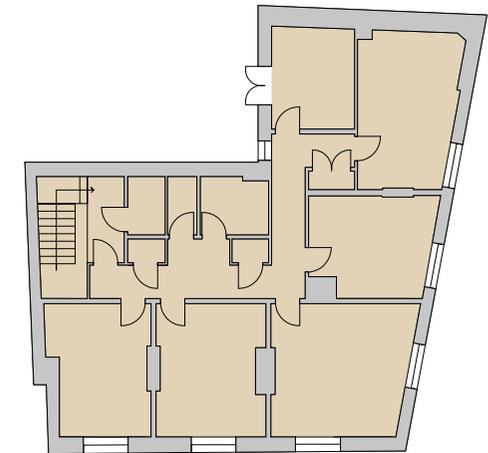
FIRST



SECOND



THIRD



PRINCE OF WALES  
COVENT GARDEN WC2

## TENURE AND TENANCY

The property is held freehold (Title Number 426466).

The entire property is let on a 30 year lease to Spirit Pub Company (Managed) Limited (Company Number 05269240) and guaranteed by Punch Pubs & Co Limited (Company Number 03982441) expiring on 23 June 2034 at a current rent of £340,058 per annum which is subject to an open market review on 25 December 2024 and 2029.

In addition to the statutory right to renew the lease under the Landlord and Tenant 1954 Act, the tenant also has a contractual right to renew the lease for a further 30 years on the same terms.

There is an Authorised Guarantee Agreement from Spirit Managed Inns Limited (Company No. 05266815) and a guarantee of the Authorised Guarantee Agreement from Spirit Intermediate Holdings Limited (Company No. 04914762).



## PLANNING

Our initial enquiries of the local authority have revealed that the property is not listed although it is located within the Covent Garden Conservation Area.



Not to scale. For identification purposes only. This plan is based upon the Ordnance Survey Map with the sanction of the controller of H.M. Stationery Office. Crown Copyright reserved

## COVENANT

The property is let to Spirit Pub Company (Managed) Limited (Company Number 05269240) which forms part of the wider Greene King Limited company. The group currently operate around 3,100 pubs, restaurants and hotels across the UK including brands such as Metropolitan Pub Company, Hungry Horse, Chef & Brewer and Farmhouse Inns.

In their latest group accounts which were for the 12 months to the 1st January 2023, the company generated revenue of £2.176 billion and adjusted EBITDA of £321 million. Prior to the covid-19 pandemic in the financial year to 28th April 2019, Greene King generated revenue of £2.216 billion and EBITDA of £482 million.

In 2019, CK Asset Holdings completed the acquisition of Greene King for £2.7 billion making this one of the largest ever portfolio acquisitions in the pub sector.

Spirit Pub Company (Managed) Limited has published the following financial information:

	52 weeks to 1st January 2023	52 weeks to 2nd January 2022	36 weeks to 3rd January 2021*
Turnover (£000's)	£304,304	£181,562	£73,296
Operating Profit (£000's)	£95,304	£8,968	£-26,754
Number of Pubs at Period End	240	300	304

\*Following the acquisition of Greene King Limited by CK Asset Holdings on 30th October 2019, the financial year end of the company was changed to 31st December so as to be coterminous with the year end of the ultimate parent company.



**GREENE KING**  
BURY ST EDMUNDS

**Chef&Brewer**



**HUNGRY  
HORSE**



**FARMHOUSE INNS**

**MPCo.**

**PUNCH**  
PUBS & CO

The lease is guaranteed by Punch Pubs & Co Limited (Company No. 03982441) which forms part of the wider Punch Pubs Group Limited company. The wider Punch Pubs & Co group currently owns in excess of 1,200 tenanted and managed pubs throughout the UK and reported turnover of £313.5 million and EBITDA of £79.1 million for the 52 weeks to 13th August 2023. In December 2021 the company was acquired by Fortress Investment Group for approximately £1.0 billion.



## THE MARKET

The leisure and hospitality sectors have continued to perform strongly as they benefit from robust consumer demand. The resilient operator performance and typical long leases have continued to drive investor demand in the sector. The improving operator performance in London is best illustrated by the latest trading updates from Young's and Fuller's:

Operators	Trading Update
Young's	In the 53 weeks to 3 April 2023, Young's reported like for like sales increase of 12.9% against the previous year.
Fuller's	In the 53 weeks to 1 April 2023, Fuller's reported like for likes sales increase of 17.5% against the previous year.

London continues to be recognised as one of the worlds safe havens for property investors. Its status as a leading global financial centre and as one of the most visited cities by tourists continues to drive strong investor and occupier demand seeking defensive assets which are let to strong covenants.

PRINCE OF WALES  
COVENT GARDEN WC2

## FURTHER INFORMATION

### VAT

It is envisaged that the property will be sold as a TOGC so the transaction should therefore be exempt from VAT.

### EPC

D-85

## PROPOSAL

We are instructed to seek offers in excess of £8,000,000 (4.0% NIY) assuming usual purchaser's costs.

A sale at this level would reflect a low capital value of £986 psf.

The business will continue to trade unaffected from the premises during the marketing of the property and post completion of the sale.



## CONTACT

All viewings must be made by prior appointment and under no circumstances should any direct approach be made to any of the occupational tenants staff.

For further information and all viewing requests please contact the sole selling agents Savills.



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